

## Message Text

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PAGE 01 ISLAMA 08065 172055Z  
ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 AGRE-00 EB-08 ABF-01 L-03

SP-02 SS-15 TRSE-00 /099 W

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TO SECSTATE WASHDC 8694

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EO 11652: NA

TAGS: EAGR EAID PK

SUBJ: PL 480 TITLE III PROPOSAL

REF: STATE 199322

SUMMARY: MISSION REPORTS ON MEETING WITH FINANCE SECRETARY AFTAB AHMAD KHAN CONCERNING SUBSTANCE OF REFTEL AND PROPOSES EIGHT POINTS ON POLICY REFORMS FOR TITLE III AGREEMENT. END SUMMARY.

1. ACTING DIRECTOR, USAID AND ECON COUNSELOR MET AT FIRST OPPORTUNITY WITH FINANCE SECRETARY AFTAB AHMAD KHAN ON AUGUST 17 TO DISCUSS SUBSTANCE OF REFTEL. U.S. REPS STRESSED LINKAGE OF SUPPORT FOR FOOD AID TO FOOD POLICY REFORMS AND AN AGRICULTURAL PRODUCTION STRATEGY AND TOLD SECRETARY THAT IDENTIFICATION OF THOSE REFORMS AND ACTIONS WHICH ARE NECESSARY AS SOON AS POSSIBLE WOULD BE EXTREMELY HELPFUL TO THE UY IN DEALING WITH THE REQUEST

FOR FOOD AID. IT WAS MADE CLEAR THAT DISCUSSION OF TITLE III IN NO WAY IMPLIED A COMMITMENT ON PART OF USG.

2. FIVE POINTS IN DRAFT TITLE III PROPOSAL - NAMELY; PRICE POLICY, PRIVATE GRAIN TRADE, EDIBLE OIL STRATEGY, IMPROVED EFFECTIVENESS OF PUBLIC SECTOR DISTRIBUTION AND OPEN MARKET RELEASES WERE REITERATED. THREE ADDITIONAL ACTIVITIES WERE TABLED

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WITH THE SECRETARY WHICH WE PROPOSE BE INCLUDED IN A TITLE III AGREEMENT: SEED MULTIPLICATION AND DISTRIBUTION, FERTILIZER SUPPLY AND DISTRIBUTION AND IMPROVED WHEAT PRODUCTION AND DISTRIBUTION DATA BASE.

3. U.S. REPS POINTED OUT SIMPLE DECLARATION OF INTENT WOULD NOT SUFFICE AS A RESPONSE. WE ESPECIALLY NEEDED A COMMITMENT TO RAISE

THE PROCUREMENT AND RATION SHOP PRICES AND TO IMPORT RUST RESISTANT SEED IN TIME FOR THE NEXT PLANTING SEASON. IN ADDITION, DETAILED PLANS AND SCHEDULES WOULD BE NEEDED AND THAT IN ANY TITLE III AGREEMENT THERE WOULD HAVE TO BE BENCHMARKS AGAINST WHICH TO MEASURE PROGRESS FOR IT WOULD BE PROGRESS AGAINST THESE WHICH WOULD ALLOW LOAN FORGIVENESS AND WOULD SET STAGE FOR FURTHER RESPONSE TO FOOD AID REQUIREMENTS. SECRETARY WAS URGED TO GET GOP DECISIONS ON REFORMS AS SOON AS POSSIBLE SINCE WE POINTED OUT THAT DETERMINATION ON POLICY REFORMS WOULD BE HELPFUL IN AN INTER-AGENCY REVIEW.

4. SECRETARY KHAN INDICATED HIS THINKING WAS RUNNING THE SAME WAY AND SAID THE QUESTION OF POLICY REFORMS AND ACTIONS RELATED TO WHEAT PRODUCTION IS THE MAIN ITEM ON THE AGENDA FOR THE CABINET MEETING AUGUST 20. HE SAID HE FELT THE REFORMS WE HAD PROPOSED (EIGHT) WOULD BE POLITICALLY FEASIBLE.

5. WE SUGGESTED HE DESIGNATE OFFICERS WITH WHOM WE COULD WORK ON A FURTHER REFINEMENT OF THE TITLE III PROPOSAL IN WHICH FURTHER DETAIL WOULD BE SPELLED OUT WITH TARGETS AND BENCHMARKS AGAINST WHICH TO MEASURE PROGRESS. THE SECRETARY SAID HE WOULD GET BACK TO US ON MONDAY AUGUST 21 WITH OUTCOME OF CABINET DELIBERATIONS.

6. SECRETARY KHAN SAID GOP AGRICULTURE POLICY PAPERS FOR USE AT DONOR MEETING WOULD BE COMPLETED AFTER AUGUST 20 CABINET MEETING.

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DECON FOLLOWING AUGUST 18, 1979.  
HUMMEL

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NNN

## Message Attributes

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